

Again, it may be that the proposed order already requires Ameritech to provide local and interLATA services in the manner we have described. 27/ Possibly the Department expects to resolve such issues in connection with its approval of Ameritech's compliance plan. 28/ But because this aspect of the structural separation requirement is so important, LDDS WorldCom urges the Court either to clarify or modify, as necessary, the proposed order to ensure that Ameritech offer full service packages only through its competitive interLATA subsidiary.

**B. Ameritech Should Be Required to Tariff Bundled Wholesale Local Exchange Service Products and Provide All Necessary Operational Support Systems.**

LDDS WorldCom fully supports the requirement, set forth in the Department's memorandum, that Ameritech's tariffs provide, "as a matter of economic reality," that there must be "meaningful opportunities for commercially feasible non-facilities-based competition in business and residential service . . . ." 29/ This test is essential to the ability of Ameritech's competitors to enter the local market and compete on the same footing with Ameritech. The Department's memorandum, however, allows Ameritech to comply with this requirement either by reselling a bundled local exchange product or by reselling unbundled loops and ports. 30/ While it is true that the term "port" has a broad meaning under the

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27/ The Department's April 3 memorandum, for example, observes that "Ameritech's interexchange subsidiary would be able to purchase local exchange services and unbundled network elements on the same terms and conditions available to competing local exchange carriers and sell or resell local services." DOJ April 3 Memorandum at 9, citing Proposed Order at para. 25.

28/ See DOJ May 1 Memorandum at 44-45.

29/ DOJ April 3 Memorandum at 6.

30/ DOJ May 1 Memorandum at 20.

proposed order, 31/ it still is not enough for resellers to be permitted to buy unbundled loops and ports and combine them.

Wholesale local exchange service is a different product altogether from unbundled loops and ports, which are suitable for purchase by entities that already own facilities. For those new entrants that are truly non-facilities-based, Ameritech needs to provide "bundled" wholesale local exchange service products, including switch-based vertical features such as call waiting and call forwarding. Ameritech also should be required to provide all necessary operational support mechanisms required by non-facilities-based carriers, such as automated ordering systems and maintenance, in a manner that will ensure nondiscrimination between the wholesale service and the retail service Ameritech provides to its own retail customers.

These are some of the elements of wholesale, non-facilities-based local exchange service that competitors will need to enter the local market with the same ease that Ameritech can enter the interLATA market. The bugs have already been worked out, over the last ten years, in the provision of interLATA carrier's carrier products. The bugs will still need to be worked out in the local market, clearly. But what is essential, in the drafting of the order that will govern the Ameritech experiment, is the recognition that non-facilities-based entry is different from the purchase of unbundled loops and ports. Both forms of entry are important, in the marketplace and under this proposed order. But the essential requirements of both should be separately recognized at the outset, so that Ameritech will be sure to offer the full range of opportunities for local entry that form the necessary underpinning of this experiment.

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31/ See Proposed Order at page 5, Paragraph 1(n) (Definitions).

## CONCLUSION

LDDS WorldCom supports the motion for limited decree modification, provided the order adequately addresses the serious danger that Ameritech will discriminate against its competitors with respect to use of the wholesale local network. At a minimum, the Court should modify or clarify the draft order's structural separation and wholesale local exchange service requirements as described here. It should also make clear that as this experiment goes forward, Ameritech discrimination should be the primary focus of the Department's attention.

Respectfully submitted,

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## ATTACHMENT A

LDDS WorldCom  
Response to Motion for Modification

### Recommended Revisions to Proposed Order 1/

Revision to Section 9(c) of Proposed Order (Preconditions to Waiver Authority):

(c) the Ameritech local exchange operations have filed, and the appropriate state regulatory authority has approved, such tariffs ~~changes~~ as are necessary to allow commercially feasible non-facilities-based competition (~~either both~~ through resale of the bundled local exchange telecommunications, or and through resale of unbundled loops and ports, or both, so long as the means chosen allow such competition) for all classes of service, including residential service, and have made available all operational support systems and other mechanisms necessary to permit non-facilities-based competition to take place on a nondiscriminatory basis as compared to Ameritech's own local exchange operations.

Revision to Section 20 of Proposed Order (Separate Subsidiary):

Add a new section 20(h):

(h) Ameritech customers that have chosen Ameritech as both their local and their interLATA carrier must purchase their local and interLATA services directly from Ameritech's interexchange subsidiary. Unless it acquires local exchange services from an unaffiliated entity or self-provisions such services, Ameritech's interexchange subsidiary must acquire any local exchange services for these purposes from Ameritech's local exchange entity pursuant to tariff, on the same basis as unaffiliated carriers. Ameritech's local exchange operations may have a carrier-customer relationship with end users only if the end users are purchasing interLATA services from an unaffiliated service provider.

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1/ Deletions are lined out; additions are underlined.

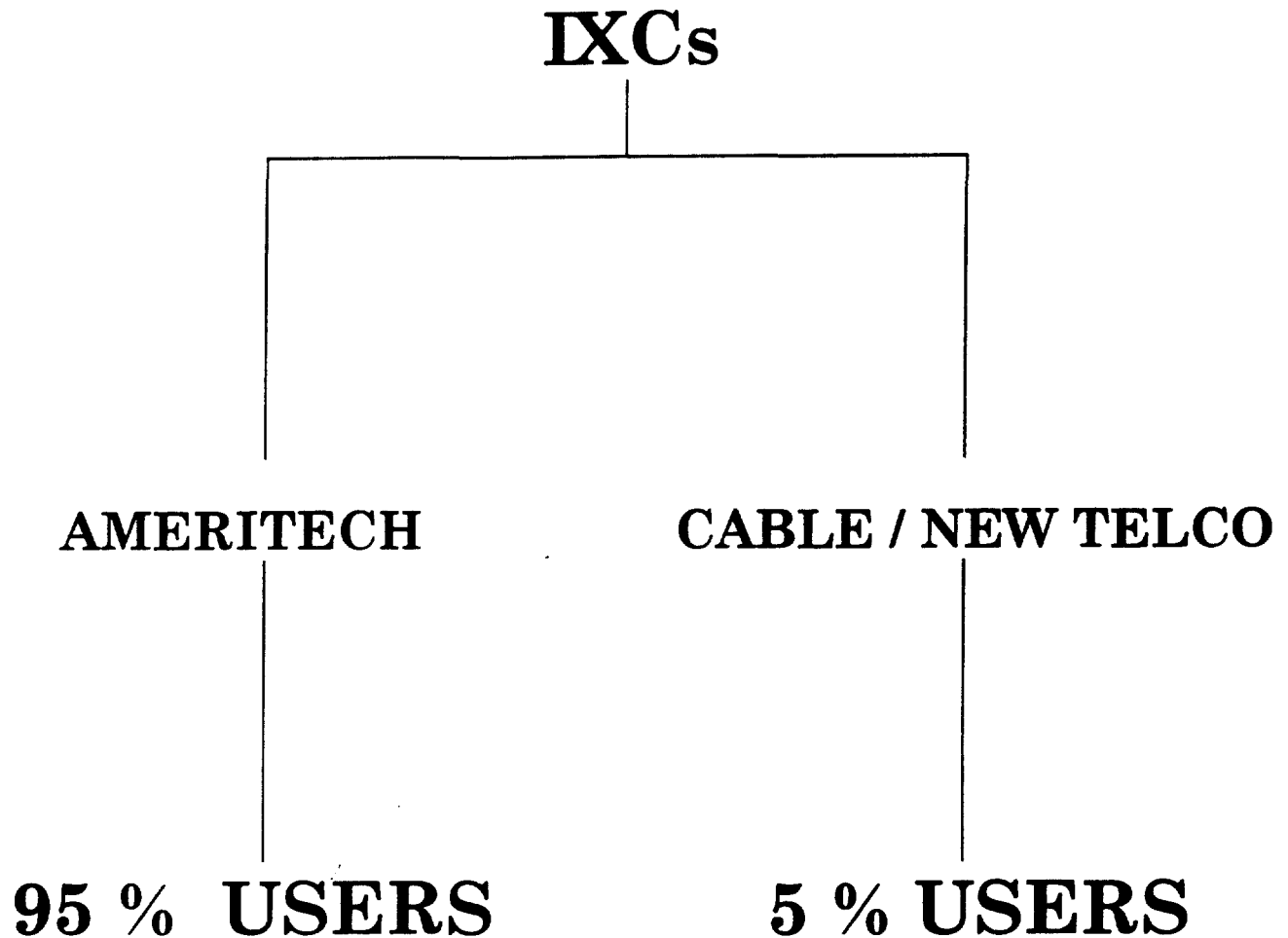
Revision to Paragraph 40 of Proposed Order

ORDERED FURTHER, that the Ameritech interexchange subsidiary's aggregate rates for its interexchange services and intraexchange services shall be designed to recover, at a minimum, the costs to it of providing those services, including all goods, services and facilities obtained from the Ameritech local exchange operations.

Revision to Section 44 of Proposed Order

ORDERED FURTHER, that Ameritech personnel outside of the Ameritech interexchange subsidiary may not appear with representatives of the Ameritech interexchange subsidiary at marketing presentations, or otherwise engage in joint marketing activity of any kind. ~~joint presentations to existing or prospective business subscribers, or provide information for use in preparing such presentations or preparing responses to Requests for Proposals or similar materials, provided that equivalent, nondiscriminatory arrangements are already afforded to interexchange and intraLATA Toll carriers and Exchange Carriers not affiliated with Ameritech. Such arrangements will be more fully set forth in the compliance plan to be filed pursuant to Paragraph 10 of this order.~~

**ATTACHMENT B**



Note: Even if some customers leave Ameritech, the BOC will still have bottleneck control over its remaining customers. IXCs still will be required to pay Ameritech to access its local service customer base (even as they pay the new LECs to access the customers that Ameritech loses).

CERTIFICATE OF SERVICE

I, Julie T. Barton, hereby certify that on this 31st day of May, 1995, copies of the foregoing "Response of WorldCom, Inc. to Motion of the United States for a Modification of the Decree to Permit a Limited Trial of Interexchange Service by Ameritech" were served by first class mail, postage prepaid, on the following:

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